



**STATE OF TENNESSEE  
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING  
400 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165  
TTY: 1-800-270-1349  
[www.tn.gov/humanservices](http://www.tn.gov/humanservices)

**BILL HASLAM**  
GOVERNOR

**DANIELLE W. BARNES**  
COMMISSIONER

December 7, 2017

Lissa Parks, Board Chair  
Genesis House, Incorporated  
PO Box 1180  
Cookeville, Tennessee 38503

Dear Ms. Parks,

The Department of Human Services (DHS) - Audit Services Division staff conducted an unannounced on-site monitoring review of the Child and Adult Care Food Program (CACFP) at Genesis House, Inc. (Sponsor), Application Agreement number 00-288, on October 23, 2017. We reviewed the Sponsor's records to support the Claim for Reimbursements for September 2017. The purpose of this review was to determine if the Sponsor complied with the *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, application agreement, and applicable Federal and State regulations.

**Background**

CACFP sponsors utilize meal count sheets to record the number of meals served for breakfast, lunch, supper and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) to seek reimbursement. We inspected meal count sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements. We observed a lunch meal service on September 13, 2017.

Our review of the Sponsor's records for September 2017 disclosed the following:

**The Sponsor's menus were not in compliance with the USDA meal pattern requirements**

**Condition**

Based on our review of the menus for lunch and supper meals provided by the Sponsor, we noted that the menus were not in accordance with the USDA meal pattern requirements.

*In accordance with the USDA meal pattern, a lunch meal and supper meal consists of one serving of meat or meat alternate, two servings of fruit and/or vegetables, one serving of bread/grains, and one serving of fluid milk.*

The menus provided by the Sponsor indicated the following:

<b>Date</b>	<b>Reason for Disallowance</b>	<b>Meal Type</b>	<b>Meals Disallowed</b>
9/26/17	The menu listed fish patty, bun, tossed salad, corn, and milk. The fish served did not have enough protein to be creditable as a meat/meat alternative component.	Lunch	5
9/30/17	The menu listed ham sandwich, bread, mac & cheese, peas, and milk. There was no 2 <sup>nd</sup> fruit or vegetable.	Lunch	6
9/1/17	The menu listed baked chicken, mac & cheese, carrots, roll, and applesauce. There was no milk listed.	Supper	8
9/4/17	The menu listed fish, brown rice, lima beans, peaches, roll, and milk. The fish served did not have enough protein to be creditable as a meat/meat alternative component.	Supper	8
9/6/17	The menu listed fish, pinto beans, coleslaw, pineapple, and milk. The fish served did not have enough protein to be creditable as a meat/meat alternative component.	Supper	7
9/10/17	The menu listed turkey pot pie, pinto beans, banana, roll, and milk. The pot pie served did not have enough protein to be creditable as a meat/meat alternative component.	Supper	6
9/21/17	The menu listed fish, tater tots, spinach, pears, roll, and milk. The fish served did not have enough protein to be creditable as a meat/meat alternative component.	Supper	4
9/26/17	The menu listed fish, boiled potatoes, pinto beans, pears, roll, and milk. The fish served did not have enough protein to be creditable as a meat/meat alternative component.	Supper	8
9/27/17	The menu listed turkey pot pie, tater tots, corn, fruit cocktail, roll, and milk. The pot pie served did not have enough protein to be creditable as a meat/meat alternative component.	Supper	6

As a result, 16 lunch meals and 47 supper meals served were disallowed. (See Exhibit)

#### Criteria

*Title 7 of the Code of Federal Regulations, Section 226.17 (b) (4) states, "Each child care center participating in the Program shall claim only the meal types specified in*

its approved application in accordance with the meal pattern requirements specified in §226.20. ...”

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, “Because of the uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined. Remember that only a CN-labeled product carries a warranty that protects against financial audit claims. See the sample formulation statement on page 73 with required information and documentation.”

### Recommendation

The Sponsor should ensure menus meet the meal patterns established by the USDA. Also, CN labels or product formulation statements should be available for all commercially prepared or frozen foods.

**Note:** Our observation of the lunch meal service on September 13, 2017 resulted in no deficiencies.

### **Technical Assistance**

The Sponsor was provided technical assistance regarding recipe and product formulation statement questions.

### **Disallowed Meals Cost**

Based on the review, we determined that the Sponsor's noncompliance with the applicable Federal and State regulations that govern the CACFP resulted in a total disallowed meals cost of \$218.14.

### **Corrective Action**

Genesis House must complete the following actions within 30 days from the date of this report:

- Login to the Tennessee Information Payment System (TIPS) and revise the claim(s) submitted for September 2017 which contains the verified claim data from the enclosed exhibit;
- Remit a check payable to the ***Tennessee Department of Human Services*** in the amount of \$218.14 for recovery of the amounts disallowed in this report. **Please return the attached billing notice with your check;** and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

[AuditServices.CAPS.DHS@tn.gov](mailto:AuditServices.CAPS.DHS@tn.gov)

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director  
Child and Adult Care Food Program  
8th Floor Citizens Plaza Building  
400 Deaderick Street  
Nashville, Tennessee 37243  
[Allette.Vayda@tn.gov](mailto:Allette.Vayda@tn.gov)  
(615) 313-3769

Please note that the amount of disallowed cost is subject to an interest charge. The interest charge will be waived if your revised claim within 30 days from the date of this report. If the revised claim is not completed by the 30-day deadline, an interest charge may be billed to your institution. Please mail your check and the billing notice to:

Child and Adult Care Food Program  
Fiscal Services  
11th Floor, Citizens Plaza Building  
400 Deaderick Street  
Nashville, Tennessee 37243

In accordance with the federal regulation found at 7 *CFR Part 226.6 (k)*, your institution may appeal the amount of disallowed cost identified in this monitoring report. The procedures for submitting an appeal are enclosed. The appeal must be submitted to:

Tennessee Department of Human Services  
Appeals and Hearings Division, Clerk's Office  
P.O. Box 198996  
Nashville, TN 37219

If the Institution decides to appeal the amount of disallowed administrative and meals cost, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

We appreciate the assistance provided during this review. If you have any questions, please contact Sean Baker, Audit Director 2, at 615-303-4727 or [Sean.Baker@tn.gov](mailto:Sean.Baker@tn.gov).

Sincerely,



Sam O. Alzoubi, CFE  
Director of Audit Services

Exhibit

cc: Melissa Garrett, Executive Director, Genesis House, Inc.  
Dina Martin, Program Director, Genesis House, Inc.  
Allette Vayda, Director, Child and Adult Care Food Programs  
Debra Pasta, Program Manager, Child and Adult Care Food Program  
Elke Moore, Administrative Assistant 3, Child and Adult Care Food Program  
Marty Widner, Program Specialist, Child and Adult Care Food Program  
Comptroller of the Treasury, State of Tennessee

## Exhibit

### Verification of CACFP Independent Center Claim

**Sponsor: Genesis House, Inc.**

**Review Month/Year: September 2017**

**Total Reimbursement: \$ 1,430.49**

<b>Program Area</b>	<b>Reported on Claim</b>	<b>Verified by Monitoring Review</b>
Number of Days that CACFP Food Service was operated	30	30
Total Attendance	259	259
Number of Breakfast meals Served	210	210
Number of Lunch meals Served	141	125
Number of Supper meals Served	166	119
Number of Participants in Free Category	12	12
Total Number of Participants	12	12
Total Amount of Food Costs	XXXXXXXX	\$1,495.83
Total Amount of Eligible Food and Nonfood Costs	XXXXXXXX	\$1,495.83



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COMMISSIONER

December 7, 2017

Lissa Parks, Board Chair  
Genesis House, Incorporated  
PO Box 1180  
Cookeville, Tennessee 38503

**Notice of payment due to findings disclosed in the monitoring report dated December 7, 2017, for Child and Adult Care Food Program (CACFP).**

Institution Name:	Genesis House Inc.
Institution Address:	P.O. Box 1180 Cookeville, Tennessee 38503
Agreement Numbers:	00-288
Amount Due:	\$218.14
Due Date:	January 8, 2018

Based on the monitoring report issued by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services - Food Programs - CACFP & SFSP management has agreed with the finding which requires Genesis House to reimburse the Department of Human Services disallowed cost noted in the report<sup>4</sup>.

Please remit a check or money order payable to the **Tennessee Department of Human Services** in the amount of \$218.14 by the due date to:

**Fiscal Services 11<sup>th</sup> Floor  
Citizens Plaza Building  
400 Deaderick Street  
Nashville, Tennessee 37243-1403  
Tennessee Department of Human Services**

Please note that the unallowed cost/overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of the 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director, Community and Social Services - Food Programs - CACFP & SFSP at (615) 313-3769 or [Allette.Vayda@tn.gov](mailto:Allette.Vayda@tn.gov).

Thank you for your attention

**Corrective Action Plan for Monitoring Findings**

**Instructions:** Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your name, title and date of signature on the last page. Please sign your name in ink.  
**Please return ALL pages of the completed Corrective Action Plan form.**

**Section A. Institution Information**

Name of Sponsor/Agency/Site: Genesis House, Incorporated	Agreement No. 00288	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP

Mailing Address: PO Box 1180 Cookeville, Tennessee 38503

**Section B. Responsible Principal(s) and/or Individual(s)**

Name and Title: Lissa Parks, Board Chair	Date of Birth:    /    /

**Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan**

Monitoring Report: 12/7/2017	Corrective Action Plan: 12/7/2017

**Section D. Findings**

Findings:

The Sponsor's menus were not in compliance with the USDA meal pattern requirements

The following measures will be completed within **30 calendar days** of my institution's receipt of this corrective action plan:

**Measure No. 1: The Sponsor's menus were not in compliance with the USDA meal pattern requirements**

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

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When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

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Where will the Corrective Action Plan documentation be retained? Please identify below:

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How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

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I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official: \_\_\_\_\_

Date:    /    /

Signature of Authorized TDHS Official: \_\_\_\_\_

Date:    /    /

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.

4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.

5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.

6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16<sup>th</sup> calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.

7. To be considered for a fair hearing or for a review of written information in lieu of a fair

**Appeal Procedures for Child and Adult Care Food Program-Institutions**

**Revised March 2017**

hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

**Appeal Procedures for Child and Adult Care Food Program-Institutions**  
**Revised March 2017**

continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

**Tennessee Department of Human Services**  
**Division of Appeals and Hearings**  
**PO Box 198996, Clerk's Office**  
**Nashville, TN 37219-8996**  
**Fax: (615) 248-7013 or (866) 355-6136**  
**E-mail: [AppealsClerksOffice.DHS@tn.gov](mailto:AppealsClerksOffice.DHS@tn.gov)**

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.